



DEPARTMENT OF TRANSPORTATION

National Highway Traffic Safety Administration

Petition for Exemption from the Federal Motor Vehicle Theft Prevention Standard;

Ford Motor Company

AGENCY: National Highway Traffic Safety Administration (NHTSA) Department of Transportation (DOT).

ACTION: Grant of petition for exemption.

SUMMARY: This document grants in full the Ford Motor Company's (Ford) petition for an exemption of the MKC vehicle line in accordance with 49 CFR Part 543, Exemption from Vehicle Theft Prevention Standard. This petition is granted because the agency has determined that the antitheft device to be placed on the line as standard equipment is likely to be as effective in reducing and deterring motor vehicle theft as compliance with the parts-marking requirements of the 49 CFR Part 541, Federal Motor Vehicle Theft Prevention Standard (Theft Prevention Standard). Ford also requested confidential treatment for specific information in its petition that the agency will address by separate letter.

DATES: The exemption granted by this notice is effective beginning with the 2017 model year (MY).

FOR FURTHER INFORMATION CONTACT: Ms. Deborah Mazyck, Office of International Policy, Fuel Economy and Consumer Programs, NHTSA, W43-443, 1200 New

Jersey Avenue, S.E., Washington, D.C. 20590. Ms. Mazyck's phone number is (202) 366-4139. Her fax number is (202) 493-2990.

SUPPLEMENTAL INFORMATION: In a petition dated June 25, 2015, Ford requested an exemption from the parts-marking requirements of the Theft Prevention Standard for the Lincoln MKC vehicle line beginning with MY 2017. The petition requested exemption from parts-marking pursuant to 49 CFR Part 543, Exemption from Vehicle Theft Prevention Standard, based on the installation of an antitheft device as standard equipment for the entire vehicle line.

Under 49 CFR Part 543.5(a), a manufacturer may petition NHTSA to grant an exemption for one vehicle line per model year. In its petition, Ford provided a detailed description and diagram of the identity, design, and location of the components of the antitheft device for its Lincoln MKC vehicle line. Ford stated that the Lincoln MKC will be installed with its Intelligent Access with Push Button Start (IAwPB) system as standard equipment on the entire vehicle line. The IAwPB system is a passive, electronic engine immobilizer device that uses encrypted transponder technology. Key components of the IAwPB device will include an Intelligent Access electronic Push-Button Start key fob, keyless ignition system, body control module (BCM), powertrain control module (PCM) and a passive immobilizer. Ford further stated that its Lincoln MKC vehicle line will be offered with a perimeter alarm system as standard equipment. The perimeter alarm system will activate a visible and audible alarm whenever unauthorized access is attempted.

Ford stated that the device's integration of the transponder into the normal operation of the ignition key assures activation of the system. Ford also stated that the MKC vehicle line's electronic key will be programmed into the vehicle during system initialization at the manufacturing plant. Ford further stated that the vehicle engine can only be started when the key

is present in the vehicle and the “StartStop” button inside the vehicle is pressed. Ford stated that when the “StartStop” button is pressed, the transceiver module will read a key code and transmit an encrypted message to the control module to determine key validity and engine start by sending a separate encrypted message to the BCM and the PCM. The powertrain will function only if the key code matches the unique identification key code previously programmed into the BCM. If the codes do not match, the powertrain engine will be inoperable. Ford also expressed that any attempt to short the “StartStop” button will have no effect on a thief’s ability to start the vehicle without the correct code being transmitted to the electronic control modules. Ford stated that the two modules must be matched together in order for the vehicle to start. According to Ford, deactivation of the device occurs automatically each time the engine is started.

Ford’s submission is considered a complete petition as required by 49 CFR 543.7, in that it meets the general requirements contained in §543.5 and the specific content requirements of §543.6.

In addressing the specific content requirements of 543.6, Ford provided information on the reliability and durability of its proposed device. To ensure reliability and durability of the device, Ford conducted tests based on its own specified standards. Ford provided a detailed list of the tests conducted and believes that the device is reliable and durable since the device complied with its own specified requirements for each test.

Ford stated that incorporation of several features in the device further support the reliability and durability of the device. Specifically, some of those features include: encrypted communication between the transponder, BCM control function and the PCM; virtually impossible key duplication; and shared security data between the body control module/remote function actuator and the powertrain control module. Additionally, Ford stated that its antitheft

device has no moving parts (i.e., BCM, PCM, and electrical components) to perform system functions which eliminate the possibility for physical damage or deterioration from normal use; and mechanically overriding the device to start the vehicle is also impossible.

Ford stated that its MY 2017 Lincoln MKC vehicle line will also be equipped with several other standard anti theft features common to Ford vehicles, (i.e., hood release located inside the vehicle, counterfeit resistant VIN labels, secondary VINs, and cabin accessibility only with the use of a valid key fob).

Ford compared the device proposed for its vehicle line with other anti theft devices which NHTSA has determined to be as effective in reducing and deterring motor vehicle theft as would compliance with the parts-marking requirements. Ford stated that it believes that the standard installation of the IAWPB device would be an effective deterrent against vehicle theft.

Ford further stated that its anti theft device was installed on all MY 1996 Ford Mustang GT and Cobra models as well as other selected models. Ford stated that on its 1997 models, the installation of its anti theft device was extended to the entire Ford Mustang vehicle line as standard equipment. Ford also stated that according to the National Insurance Crime Bureau (NICB) theft statistics, MY 1997 Mustangs installed with the SecuriLock device showed a 70% reduction in theft rate compared to its MY 1995 Mustangs without an anti theft device.

Ford stated that the proposed anti theft device is very similar to the system that was offered in its MY 2016 Lincoln MKX vehicle line. The Lincoln MKX vehicle line was granted a parts-marking exemption on November 25, 2014 by NHTSA (See 79 FR 70276) beginning with its MY 2016 vehicles. The agency notes that current theft rate data for MYs 2010 through 2012 Lincoln MKX vehicle line are 0.5670, 0.4056 and 0.5841 respectively.

Ford also reported that beginning with MY 2010, its antitheft device was installed as standard equipment on all of its North American Ford, Lincoln and Mercury vehicles but was offered as optional equipment on its 2010 F-series Super Duty pickups, Econoline and Transit Connect vehicles. Ford further stated that beginning with MY 2010, the IAwPB was installed as standard equipment on its Lincoln MKT vehicles and starting in MY 2011, offered as standard equipment on the Lincoln MKX and optionally on the Lincoln MKS, Ford Taurus, Edge, Explorer and the Focus vehicles. Beginning with MY 2013, the device was offered as standard equipment on the Lincoln MKZ and optionally on the Ford Fusion, C-Max and Escape vehicles.

Ford referenced the agency's published theft rate data by calendar year for all vehicles and the Ford Escape for comparison purposes because it stated that the Lincoln MKC will use the IAwPB system that will be similar to the Ford Escape in design and architecture. Ford further stated that the Lincoln MKC is comparably similar to the Ford Escape in vehicle segment, size and equipment. Ford reported that the Escape's theft rate is lower than the vehicle theft rate for all vehicles in each of the last five calendar years for which published data is available. Specifically, the agency's data show that theft rates for the Ford Escape for MYs 2010-2012 are 0.7265, 0.6409, and 0.8336 respectively. Using an average of the most current of three MYs data (2010-2012), the theft rate for the Ford Escape vehicle line is well below the median at 0.7336. Ford stated that with the installation of its IAwPB device as standard equipment, the Lincoln MKC will have a very low theft rate comparable to the theft rate of the Ford Escape vehicle line.

The agency agrees that the device is substantially similar to devices installed on other vehicle lines for which the agency has already granted exemptions.

Based on the supporting evidence submitted by Ford on the device, the agency believes that the antitheft device for the Lincoln MKC vehicle line is likely to be as effective in reducing and deterring motor vehicle theft as compliance with the parts-marking requirements of the Theft Prevention Standard (49 CFR Part 541).

Pursuant to 49 U.S.C. 33106 and 49 CFR 543.7 (b), the agency grants a petition for exemption from the parts-marking requirements of Part 541 either in whole or in part, if it determines that, based upon substantial evidence, the standard equipment antitheft device is likely to be as effective in reducing and deterring motor vehicle theft as compliance with the parts-marking requirements of Part 541. The agency finds that Ford has provided adequate reasons for its belief that the antitheft device for the Lincoln MKC vehicle line is likely to be as effective in reducing and deterring motor vehicle theft as compliance with the parts-marking requirements of the Theft Prevention Standard (49 CFR Part 541). This conclusion is based on the information Ford provided about its device.

The agency concludes that the device will provide the five types of performance listed in §543.6(a)(3): promoting activation; attracting attention to the efforts of unauthorized persons to enter or operate a vehicle by means other than a key; preventing defeat or circumvention of the device by unauthorized persons; preventing operation of the vehicle by unauthorized entrants; and ensuring the reliability and durability of the device.

For the foregoing reasons, the agency hereby grants in full Ford's petition for exemption for the Lincoln MKC vehicle line from the parts-marking requirements of 49 CFR Part 541. The agency notes that 49 CFR Part 541, Appendix A-1, identifies those lines that are exempted from the Theft Prevention Standard for a given model year. 49 CFR Part 543.7(f) contains publication requirements incident to the disposition of all Part 543 petitions. Advanced listing, including the

release of future product nameplates, the beginning model year for which the petition is granted and a general description of the antitheft device is necessary in order to notify law enforcement agencies of new vehicle lines exempted from the parts-marking requirements of the Theft Prevention Standard.

If Ford decides not to use the exemption for this line, it must formally notify the agency. If such a decision is made, the line must be fully marked according to the requirements under 49 CFR Parts 541.5 and 541.6 (marking of major component parts and replacement parts).

NHTSA notes that if Ford wishes in the future to modify the device on which this exemption is based, the company may have to submit a petition to modify the exemption. Part 543.7(d) states that a Part 543 exemption applies only to vehicles that belong to a line exempted under this part and equipped with the antitheft device on which the line's exemption is based. Further, Part 543.9(c)(2) provides for the submission of petitions "to modify an exemption to permit the use of an antitheft device similar to but differing from the one specified in that exemption."

The agency wishes to minimize the administrative burden that Part 543.9(c)(2) could place on exempted vehicle manufacturers and itself. The agency did not intend in drafting Part 543 to require the submission of a modification petition for every change to the components or design of an antitheft device. The significance of many such changes could be *de minimis*. Therefore, NHTSA suggests that if the manufacturer contemplates making any changes, the effects of which might be characterized as *de minimis*, it should consult the agency before preparing and submitting a petition to modify.

Under authority delegated in 49 CFR part 1.95.

Raymond R. Posten,
Associate Administrator for
Rulemaking.

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